

RECEIVED

JUN 15 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In The Matter of:

ET Docket 93-7

Compatibility Between Cable Systems and Consumer Electronics Equipment

**Cable Telecommunications
Association
3950 Chain Bridge Road
P.O. Box 1005
Fairfax, VA 22030-1005
703/691-8875**

June 15, 1994

No. of Copies rec'd
List A B C D E

RECEIVED

JUN 1 5 1994

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of:)
)
Implementation of Section 17) ET Docket 93-7
of the Cable Television)
Consumer Protection and)
Competition Act of 1992)
)
Compatibility Between)
Cable Systems and Consumer)
Electronics Equipment)

PETITION FOR RECONSIDERATION BY THE CABLE
TELECOMMUNICATIONS ASSOCIATION

1. The Cable Telecommunications Association, ("CATA"), hereby files this Petition for Reconsideration in the above-captioned proceeding. CATA is a trade association representing owners and operators of cable television systems serving approximately 80 percent of the nation's more than 60 million cable television subscribers. CATA files this petition on behalf of its members who will be directly affected by the Commission's action.

INTRODUCTION

2. Although significant issues remain to be resolved, CATA believes that, for the most part, the Commission, in its First Report and Order has sought and achieved a reasonable balance between the various industries' ability to provide solutions to

the compatibility "disconnect" and the needs of consumers. There are, however, several points that require attention and others where clarification would be useful.

I. THE COMMISSION SHOULD NOT "FREEZE" INFRARED CODES FOR CABLE TERMINAL EQUIPMENT.

3. In an effort to insure that customer-owned remote control devices are not rendered obsolete by changes in cable terminal equipment, the Commission has required that the remote control capabilities of replacement equipment use the same infrared codes that are used with existing equipment. In the Order, it is explained that this requirement will not be burdensome for cable operators, "...as they can simply choose replacement equipment that operates with the same infrared codes..." Indeed, the Commission goes on to point out that, "In quantity orders, cable operators will be able to specify the specific codes to be used in new equipment" (emphasis supplied). CATA respectfully submits that the Commission misunderstands the design and marketing of cable terminal devices, and has created a requirement that is unnecessary, will be burdensome both to cable operators and equipment manufacturers, and that, ultimately, is anti-competitive.

4. As the Commission is aware, there is an ever-expanding market in universal remote control devices. Prices for these remote controls have fallen with regularity, and it is now possible to buy a remote control unit that operates at least four

different devices (including virtually all cable converters) for between \$15 and \$20.

5. Despite the concerns of the Consumer Federation of America ("CFA"), the organization that has apparently spawned the Commission's new requirement, there is no evidence that switching to new converters will necessarily cause subscribers to have to replace existing universal remotes, and certainly no evidence to suggest that cable systems would attempt to seek out a different converter in order to encourage subscribers to buy or lease new remote controls from them. CFA has not placed in the record of this proceeding any evidence, substantive or otherwise, that cable operators will attempt to subvert the Commission's policies. Indeed, CFA merely alleges that cable operators "could" render remote controls useless and "frustrate [the] competitive remote control market." CFA forgets that under the Commission's rate regulations, there is hardly an incentive for cable systems to sell or lease equipment. The recovery of cost and what the Commission has deemed "profit" cannot seriously be offered as the basis for some Machiavellian conspiracy to make cable subscribers use system provided remote controls.

6. In the past, when confronted with allegations of theoretical risk unaccompanied by evidence, the Commission wisely has taken a "wait and see" approach and announced that it will "monitor developments" and "take appropriate action" in the future "if necessary." Indeed, these are the very words the Commission uses in this proceeding to allay the concerns of those

who feel that cable ready TVs should be required to tune beyond 806 MHz. This would be just the right tone for the present issue.

7. It is possible, of course, that new equipment designs will require codes that existing remote controls are not able to produce. The Commission, itself, appears to recognize this when it explains that systems will be permitted to use replacement devices that have new features requiring additional codes. Depending, of course, on the significance to the subscriber of these features, it may then be necessary to replace remote controls. But this is the marketplace. The purchase or replacement of any one of a number of consumer devices that require different remote codes to function could dictate the replacement of an existing universal remote, including the one that happens to be used to operate a cable converter. In fact, the most likely event that could adversely affect a consumer's continued use of a universal remote is the purchase of a new television or VCR.

8. Manufacturers of TVs and VCRs are certainly not prohibited from changing the infrared codes that operate their devices (nor should they be). But given the freedom of manufacturers of TVs, VCRs, compact disk players, cassette decks, laser disk players, stereo receivers and FM tuners to change the infrared codes controlling these devices, it seems to make little sense to assume that the utility of presently owned remote control devices will be preserved merely by "freezing" the

infrared codes of cable terminal equipment. Indeed, it seems more likely that a universal remote control device will have to be replaced because it has disappeared into the recesses of a couch or has been chewed by a pet than because cable operators have changed their terminal equipment.

9. In adopting the requirement that systems may not change existing remote codes, or use devices that require different codes, the Commission has ignored the fact that cable operators have no control over the codes used in their equipment. Code specification is a function of equipment manufacturers and the process is not dictated by cable operators. Moreover, even the manufacturers do not enjoy freedom to specify whatever codes they want. Codes are proprietary from manufacturer to manufacturer and cannot simply be copied to please the Commission. Thus, cable operators will not be able to specify, as the Commission believes, that new converters manufactured by one company be coded to match existing converters manufactured by another company. The unintended consequence of the Commission's requirement, therefore, will be that systems will be forced to deal with the same manufacturer over and over. Thus, the Commission will have crippled the competitive market in terminal devices. No useful public purpose has been advanced to justify such a result.

II. OPERATOR - OFFERED EQUIPMENT SHOULD NOT HAVE TO PERMIT
RECEPTION OF MORE THAN TWO SCRAMBLED SIGNALS.

10. Section 76.630(d)(2)(i) of the Commission's rules requires that the cable operator offer to provide subscribers with equipment that will "... allow simultaneous reception of any two or more scrambled or encrypted signals..." (emphasis supplied). CATA requests the Commission to clarify this rule to indicate that the equipment must permit reception of a minimum of two scrambled or encrypted signals. As written, the rule would theoretically require operators to offer a virtual cascade of converter/descramblers in order to permit a subscriber to display the multiple pictures that some TVs with advanced PIP features can produce. (At least one television receiver is capable of displaying nine pictures at once.) The ultimate effect of a chain of terminal devices provided for the purpose of displaying more than two scrambled signals would be signal degradation. We presume this is not what the Commission had in mind. CATA urges the Commission to amend the rule accordingly.

III. THE COMMISSION SHOULD REQUIRE "CABLE READY" RECEIVERS
TO TUNE UP TO 1002 MHZ

11. By requiring cable systems to conform to a channel plan up to 1002 MHz, but only requiring "cable ready" TVs and VCRs to tune up to 806 MHz, it seems that the Commission has sown the seeds of instant incompatibility as soon as the new receivers

enter the market. There is little question that some systems will soon be using spectrum above 806 MHz. And surely, this will be the case early in the lifetime of television receivers purchased in 1997. It may be anticipated by some that the higher portions of the spectrum will be used for digital transmissions, requiring separate attention from both industry and the Commission. And, as the comments in this proceeding suggest, some may presume that the advent of digital compression will reduce the need for the use of more spectrum. But these eventualities cannot simply be assumed. What we know is that cable technology has expanded its spectrum use with regularity. It seems shortsighted to think that now this pattern will be broken merely because some systems will be able to enjoy the use of spectrum saving technology.

12. The desirability of beginning compatibility on an even footing is not dependent on any given method of cable transmission. Whether systems use the decoder interface plug, as is most likely, or manage a shift to some "in the clear" technology, "cable ready" will have little meaning if the tuning range of the television receiver or VCR is insufficient to tune cable channels. In meetings of the Cable-Consumer Electronics Compatibility Advisory Group (CAG) it was agreed that cable industry representatives and consumer electronics manufacturers would regularly exchange information that will enable future planning for expanded spectrum use. CATA believes that such on-going efforts will be more likely to bear fruit if the Commission


establishes a common starting point for tuner capability.

13. For the foregoing reasons, CATA urges the Commission to reconsider those portions of its First Report and Order noted above.

Respectfully submitted,

THE CABLE TELECOMMUNICATIONS
ASSOCIATION

by:


Stephen R. Effros
James H. Ewalt
Robert J. Ungar

Cable Telecommunications
Association
3950 Chain Bridge Road
P.O. Box 1005
Fairfax, VA 22030-1005
703/691-8875